



AD PUNCTUM

Autos & Mobility Industry Briefing -- 4th November to 10th November 2019

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

News about the major automakers

BMW (history)

- Reported Q3 2019 automotive revenue of €16.7 billion, up 11% on a year-over-year basis and automotive EBIT of €1.5 billion, up 64%. ([BMW](#))
- BMW remains “strongly committed” to meeting 2021 CO₂ standards. ([BMW](#)) The CFO said that fines “are definitely not a strategic option”. ([Seeking Alpha](#))
- BMW believes that the vehicle will be the most profitable part of any future mobility ecosystem. ([Seeking Alpha](#))

Daimler (history)

- Union officials implied workers in Germany could go on strike if the Untertürkheim, Germany, site -- with over 10,000 employees in making parts for traditional powertrain -- isn't chosen to produce electric drives. ([Handelsblatt](#))
- A leaked newsletter suggests 1,100 Daimler managers are set for the chop. ([FAZ](#))
- Confirmed there will be an all-electric version of the G-Class. ([Autocar](#))

FCA (history)

- Moody's improved the outlook for FCA's debt. ([FCA](#)) So did S&P. ([FCA](#))
- PSA CEO Tavares believes the synergy targets set by the PSA-FCA merger proposal are minimum levels and doesn't foresee scrapping any of the combined group's brands (good news, Lancia fans). ([Reuters](#))

Ferrari

- Reported Q3 2019 revenue of €915 million, up 9% on a year-over-year basis (in line with a 9% increase in shipments to 2,474 cars), and EBIT of €227 million, up 12% YoY -- mainly driven by special editions. Ferrari upgraded full year earnings guidance and now expects adjusted EBIT of €920 million. ([Ferrari](#))
- Ferrari has recruiting more people to work on electrification and human machine interfaces recently. ([Seeking Alpha](#))

Ford (history)

- Sold part of the European financing portfolio (covering Scandinavia) to Santander. ([Reuters](#))
- Announced an executive reshuffle, including for the autonomy and strategy leadership. ([Ford](#))
- Didn't produce any vehicles in Mexico for the entire month of October, blaming retooling. ([Reuters](#))
- Experimenting with seamless knitted seat covers in a bid to make seats more “intuitive”. ([Ford](#))

Geely (includes Volvo) (history)

- LEVC needs to sell between 8,000 - 12,000 vans and around 4,000 taxis to turn a profit. ([Automotive News](#))

Honda (history)

- Reported Q3 2019 (fiscal Q2) revenues of 3.7 trillion JPY (about \$34 billion), down (3)% on a year-over-year basis and operating profit of 220 billion JPY (about \$2 billion), up 3% YoY. Honda now predicts lower revenue and profits than previously guided. ([Honda](#))

Hyundai / Kia (history)

- Kia revealed a concept SUV Coupe called Futuron. Kia thinks that in the future, partially autonomous cars mean -- on some journeys -- the driver and passenger can simply lie back. Rear seat passengers will still have to slum it with a conventional position however, and why front passengers can't simply do this in Kia's contemporary cars wasn't explained. ([Kia](#))

Nissan (includes Mitsubishi) (history)

- Mitsubishi reported Q3 2019 (fiscal year Q2) revenue of 592 billion JPY (about \$5.4 billion), down (3)% on a year-over-year basis and operating profit of 6.4 billion JPY (about \$59 million), down (78)%. Mitsubishi reduced full year profit guidance. ([Mitsubishi](#))

PSA (includes Opel/Vauxhall) (history)

- CEO Tavares believes the synergy targets set by the PSA-FCA merger proposal are minimum levels and doesn't foresee scrapping any of the combined group's brands (good news, Lancia fans). ([Reuters](#))

Renault (history)

- Renault thinks that used batteries from electric cars could have an application in boats. ([Renault](#))

Suzuki

- Suzuki reported Q3 2019 revenue of 848 billion JPY (about \$7.8 billion), down (10)% on a year-over-year basis. Operating profit of 56 billion JPY (about \$510 million) fell (32)% YoY. Suzuki expects lower revenue and operating profit in the full year than previous guidance. ([Suzuki](#))
- Maruti Suzuki and Toyota affiliate (Toyota Tsusho) set up a 50/50 joint venture to recycle cars, with a capacity for 2,000 vehicles per month. ([Suzuki](#))

Tata (includes JLR) (history)

- JLR believe that printed electronics could save 60% of the weight of traditional wiring harnesses. ([JLR](#))

Toyota (history)

- Reported Q3 2019 (fiscal Q2) revenue of 7.6 trillion JPY (about \$70 billion), up 4% on a year-over-year basis. Operating income of 662 billion JPY (about \$6.1 billion) rose 14% YoY. Toyota says it will sell fewer vehicles in the full year than previously anticipated (8.95 million rather than 9 million), but revenue and operating profit outlook remain unchanged. Toyota announced a ~\$1.8 billion share buyback. ([Toyota](#))
- Maruti Suzuki and Toyota affiliate (Toyota Tsusho) set up a 50/50 joint venture to recycle cars, with a capacity for 2,000 vehicles per month. ([Suzuki](#))
- Toyota and BYD announced a joint venture to develop battery electric vehicles. The (50/50) partners will create a platform and models for the Chinese market. ([Toyota](#))

VW Group (history)

- VW's autonomous cars have a claimed sensor range good for predicting the next ten seconds of driving conditions in cities. ([Manager Magazin](#))
- Audi has some posh new robots in the paint shop that can applied very thin lines of paint (akin to using a paint brush) so that the roof can be painted a different colour to the rest of the body without needing masking tape. ([Audi](#))
- VW's distributors in Vietnam are in hot water because they advertised cars featuring maps recognising Chinese territorial claims that Vietnam rejects. ([Bloomberg](#))

- Significance: With multiple territorial disputes, and highly sensitive governments and consumers, mapping in Asian countries is an issue that can easily catch out carmakers used to more benign conditions in the West.

Other

- **Subaru** reported earnings for Q3 2019. Revenue of 772 billion JPY (about \$7.1 billion) was a whisker below prior year, profit of 2.6 billion JPY (about \$24 million) was better than Q3 2018. Although the outlook for revenue remains the same, profit is forecast to come in below previous expectations. ([Subaru](#))
- **NIO** will develop a self-driving system based on **Mobileye's** technology. ([NIO](#))
- **Aston Martin** reported Q3 2019 revenue of £250 million, (11)% lower than prior year and an operating profit of £10.5 million, down (58)% year-over-year. Aston said the Vantage sports car isn't selling as well as hoped, blaming a declining segment, rather than the product itself. ([AML](#)) AML announced pricing for the DBX SUV -- about £160,000 / \$190,000 -- when analysts asked why US prices were lower than Europe (\$189,000 vs €193,500), Aston Martin's CEO cited competitive pressures in the US market. ([AML](#))
- **Aston Martin** released a track-only motorbike, limited to 100 examples, built by **Brough Superior**. ([AML](#))
- **Workhorse** released Q3 earnings. Revenue of \$4,000 was more than offset by cost items and mark to market bad news, resulting in a net loss of \$(11.5) million. The firm also reported details of the licencing arrangement with the (ex-GM) Lordstown plant. Workhorse will be paid a 1% royalty for each vehicle sold -- low in the context of industry rule of thumb levels for R&D investment of 4% - 6% of revenue. ([Workhorse](#)) The company intends for the plant to be unionised. ([Detroit Free Press](#))

News about other companies and trends ...

Economic / Political News

- **UK** passenger car sales in October of 143,251 vehicles fell (7)% compared to prior year. ([SMMT](#))
- Passenger car registrations in **Germany** during October of 284,593 units rose 12.7% year-over-year. ([KBA](#))
- Passenger car registrations in **France** during October of 188,989 units rose 8.7% year-over-year. ([CCFA](#))
- **Spanish** passenger car registrations in October grew 6.3% year-over-year to 93,961 units. ([ANFAC](#))
- **Italian** passenger car registrations in October grew 6.7% year-over-year to 156,851 units. ([UNRAE](#))
- **US** light vehicle SAAR in October of 16.55 million units fell (5.2)% versus prior year. ([Wards](#))

Suppliers

- **Motherson Sumi** reported quarterly revenue of 15,709 cr INR (about \$2.2 billion) and profit after tax of 385 cr INR (about \$54 million). ([Motherson](#))
- **Mahle** increased its stake in Mahle Letrika Roots to 90% (from 50%). ([Mahle](#))
- **Faurecia** entered a 50/50 joint venture with **Aptoide** to create apps and an app store for drivers based on Google's Android platform. ([Telematic News](#))
- **Kongsberg** reported Q3 2019 revenue of €279 million and adjusted EBIT of €14 million. ([Kongsberg](#))
- **Cooper Standard** reported Q3 2019 sales of \$729 million and a net loss of \$(14) million. ([Cooper Standard](#))
- **Adient** reported Q3 2019 revenue of \$3.9 billion and EBIT of \$102 million. ([Adient](#))
- **Magna** reported Q3 2019 revenue of \$9.3 billion and an operating loss of \$(319) million and expects full year revenue and profits to be lower. ([Magna](#))
- **Schaeffler** are looking for a new CFO. ([Schaeffler](#))

Dealers

- Mobile servicing firm **Wrench** raised \$20 million. ([Wrench](#))

Ride-Hailing, Car Sharing & Rental (history)

- **Uber** reported Q3 2019 financial results. Revenue of \$3.8 billion rose 30% versus prior year, but a net loss of \$(1,162) million was (18)% worse. Uber still has \$12.65 billion of cash. ([Uber](#))
- **BP** invested in **MaaS Global's** multimodal offshoot Whim. ([Reuters](#))

Driverless / Autonomy (history)

- **Intel's Mobileye** held an investor day, briefing attendees on the technology behind Mobileye's driver assistance systems, the crowd-sourced mapping project and an Israeli ride hailing scheme launching in 2020. ([Mobileye](#))
- **Waymo** is closing its Austin, USA base to concentrate on other locations. ([CNBC](#))
- **Ghost Locomotion** hopes to be selling a hands-off retrofit kit for highway driving in 2020 for a price that is lower than **Tesla's** full self-driving offering. ([TechCrunch](#))
- **Uber's** self-driving cars were involved in 37 crashes before the fatal incident in Arizona, a higher number than the handful previously known about. ([Business Insider](#)) Someone in the autonomous vehicle team might be getting a smacked bottom: an expert found that Uber's software contains some code belonging to **Waymo** -- something Uber's CEO had seemingly been assured was impossible. ([Reuters](#))
- The home of the **Indy 500** is offering a \$1 million prize to the designer of the best self-driving racing car. ([ESN](#))
- **VW's** autonomous cars have a claimed sensor range good for predicting the next ten seconds of driving conditions in cities. ([Manager Magazin](#))
- **NIO** will develop a self-driving system based on **Mobileye's** technology. ([NIO](#))

Electrification (history)

- **Mahle** says that by optimising the chemistry to reflect the drive cycles of cars fitted with 48V batteries, the fuel economy can be improved by up to 15% compared with today's offerings. ([Mahle](#))
- The head of the **DTM** touring car championship wants to start a new category for battery electric and fuel cell powered **racing cars** where the pitstops are performed by robots. ([Reuters](#))
- **Sila Nanotechnologies** raised a further \$45 million, bringing total funding to \$340 million. ([Sila](#))
- **Renault** thinks that used batteries from electric cars could have an application in boats. ([Renault](#))

Connectivity

- **Subaru** is teaming up with **SoftBank** (telecoms, not the VC arm) to research high-speed connectivity. ([Subaru](#))